CLASSIFICATION SECRET 25X1 INFORMATION REPORT CD NO. CONFIDENTIAL DATE DISTR 24 MAR 50 COUNTRY Rumania NO. OF PAGES 1. SUBJECT Penalties for Failure to Fulfill Contracts Levied on the Rumanian Government by the USSR NO. OF ENCLS. SUPPLEMENT TO REPORT NO. 25X1 25X1 

THIS IS UNEVALUATED INFORMATION

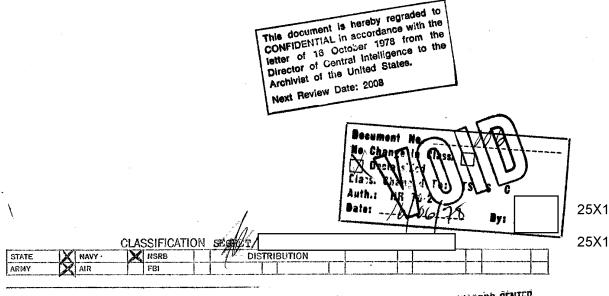
25X1

This deculert contains information appeding the national depends of the united states uttain the heading of the espicage act by 0.5. C., 2.1 and 32. As aresided, its transmission on the revelation of the contents in any manher to an undefinement present a pro-neithed by lack. Reproduction of this foul is prohibited.

PLACE **ACQUIRED** DATE OF

INFO.

- Soviet authorities levy heavy financial penalties for failure to deliver manufactured goods at the time and in the condition specified in the original order. The Rumanian Government, for example, must pay 200,000 lei per day for every day beyond the agreed delivery date for a locomotive.
- 2. Soviet commissions almost always find some pretext to refuse acceptance of locomotives at the time of final inspection before delivery. On one occasion such a commission discovered that the needle of a dial, which the original order had specified was to be painted red, was in fact another color. Although this item could have been corrected to specification in a few minutes, the Soviet authorities refused to continue the inspection and announced that it would resume its work three days later. This dolay cost the Rumanian Government 600,000 lei in penalties.
- 3. The sums paid out by the Rumanian Government under such protexts sometimes amount to thirty to forty percent of the selling price of the goods delivered to the Russians.



RETURN TO ARCHIVES & RECORDS CENTER JUB 78-2352 BOX